

AUDITORS' REPORT

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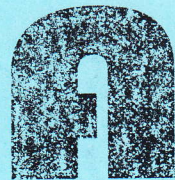
AUDITED FINANCIAL STATEMENTS

OF

HAHEEN SPINNING LIMITED

House-9, Road-10, Flat-A/1,
Dhanmondi, Dhaka-1205.

FOR THE YEAR ENDED 30TH JUNE, 2022.



ARTISAN
Chartered Accountants

Sonargaon Terrace (2nd Floor), House # 52,
Road # 13/C, Block # E, Banani,
Dhaka- 1213, Bangladesh.



ARTISAN
Chartered Accountants

Independent Auditor's Report To the Shareholders of Zaheen Spinning Limited Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zaheen Spinning Limited ("the Company"), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion section and Matter of Emphasis section* of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

1. The financial statement shows Property Plant & Equipment, and Work in Progress Tk. 628,339,704 which includes transfer during the year to Property, Plant & Equipment Tk. 56,439,225 from Capital Work in Progress and new addition of Tk. 11,400,000 to Capital Work in Progress, against which only Tk 8,975,000 has been paid through bank and Tk. 23,411,317 has shown as unpaid liabilities to M/S Dhaka Enterprise and rest of the amount has shown as adjustment against sales/receivable without deducting AIT and VAT, which is a violation of Income Tax Ordinance 1984, section 30 (m) and section 48. Beside this Dhaka Enterprise is not any reputed machinery manufacturer or supplier from whom the company acquires machinery of Tk. 50,900,000, without following standard purchase procedure. We were not provided with satisfactory evidence to authenticate those transactions and we were also unable to obtain sufficient appropriate audit evidence in alternative approach to satisfy ourselves to provide our opinion, and conclude that there are no undetected material misstatements in the financial statement in this regard.
2. The financial statement shows Trade & Other Receivable Tk. 369,985,513 on 30 June 2022 and realization of Tk. 372,304,930 during the year whereas bank statement produced to us by the company shows deposits of Tk. 82,056,356 only in company's bank accounts during the year under audit. Moreover, we have received no response from the customers/parties confirming the year-end balance despite of our written approach to them. Whereas the company has made Provision for Bad Debts of Tk.83,440,705 in this year in addition to 202,356,355 provision made earlier. We were not provided with satisfactory evidence to verify those transactions and we were also unable to obtain sufficient appropriate audit evidence in alternative approach to satisfy ourselves to provide our opinion, and conclude that there are no undetected material misstatements in the financial statement in this regard.
3. The financial statement exhibits Sales Revenue (Net off VAT) Tk. 337,577,733 as shown in the note # 24.00 and note # 6.00, which has been recognized by realizing through cash, bank and adjustment with suppliers bills as stated by the management of the company, out of that total Tk. 82,056,356 were only deposited in the bank. The balance amount was cash received and adjusted against purchase from M/S Dhaka Enterprise the only agent as well as supplier of the company we were also

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unable to obtain sufficient appropriate audit evidence to satisfy ourselves to provide our opinion, and conclude that there are no undetected material misstatements in the financial statement in this regard.

4. The financial statement shows an amount of Tk. 137,524,422 loss on fire by virtue of damage of Property Plant & Equipment and damage of Inventory in the year 2020-21 without considering any claim receivable from insurance company. During our verification we found that the company had a fire insurance policy of only Tk. 100,000,000 instead book value of Building, Machinery Tk 451,924,490 and Inventory Tk. 82,474,124 Total Tk. 534,398,614 we were also unable to obtain sufficient appropriate audit evidence to satisfy ourselves to provide our opinion, and conclude that there are no undetected material misstatements in the financial statement in this regard.

Matter of Emphasis:

1. We found that the company is submitting the VAT Returns, Mushak 9.1 showing only sells Qty without mentioning sales revenue, though the company is paying VAT on the sales as per related VAT rule except for wastage sales. Income Tax Returns have not yet submitted from the accounting year 2016-17 to 2020-21. Our opinion is to ensure compliance with all related laws, rules and regulations to avoid any risk of the entity.
2. To the best of our understanding the company is suffering from working capital crisis which has laid down the company's dependency on single agent and supplier in local market, for which the company is struggling in reestablishing machinery and infrastructures damaged in the fire incidence on 21 January 2021 to regain the production capacity. All those have ultimately created going concern threats to the company though the management of the company has prepared the Financial Statement of the company considering it as a going concern and fully functional as stated in note # 2.01, but we were not provided with any written management plan to effectuate and ensuring this. Our opinion is to set up proper management plan in this regard ensure going concern of the entity.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTER	How our audit addresses the Key Audit Matter
<p>Revenue Recognition</p> <p>Revenue of BDT 33.76 Crore (BDT 28.53 Crore for the year ended June 30, 2021) is recognized in the Statement of Profit and Loss and Comprehensive Income of Zaheen Spinning Limited. The Company's revenue recognition policies and procedures are not complex, and revenue is recognized at a point in time when the control of the manufactured goods is transferred to the customer. However, Revenue is highly material to the financial statement users and is the primary driver of key investor metrics such as Earnings per Share etc. This account is also subject to some risk on depending on single buyer and material supplier due to the risks such as management override and bias.</p> <p>Details of the Revenue Section are summarized in Note 24 to the Financial Statements.</p>	<p>Our audit procedures included:</p> <p>Understanding the process of estimating, recording and reassessing going concern.</p> <ul style="list-style-type: none"> ▶ Obtain an understanding of Company's internal controls specifically geared towards adoption of the new accounting standard. ▶ Examine customer contracts to determine key arrangements between the Customer and Company to understand when control of the goods manufactured transfer from Company to Customer. ▶ Reviewing Invoices, Shipping Documents and other supporting documentation to ensure revenue recognition is occurring appropriately ▶ Examine Payment documentation to ensure completion of revenue cycle is documented appropriately.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the 2021 Annual Report. The Annual Report comprises of the Director's Report, Corporate Governance Compliance Report and Management Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so and those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, without modifying our basis for qualified opinion as mentioned above we also report that:

- ▶ We have obtained all the information and explanations except for those mentioned under the basis of qualified opinion, which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ▶ In our opinion, proper books of accounts, records and other statutory books as required by law except for those mentioned under the basis of qualified opinion, have been kept by the Company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- ▶ The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;
- ▶ The expenditures incurred were for the purpose of the Company's business.

Date: 01 Nov 2022
Dhaka, Bangladesh

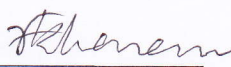

Md. Harun Or Rashid FCA (697)
Engagement Partner
ARTISAN
Chartered Accountants
DVC: 2211100697AS576823





ZAHEEN SPINNING LIMITED
Statement of Financial Position
As at June 30, 2022

Particulars	Notes	Amount in Taka	
		June 30, 2022	June 30, 2021
Assets			
Non-Current Assets			
Property, Plant and Equipment	4.00	616,939,704	599,325,782
Capital Work in Progress	Annex-A/I	11,400,000	56,439,225
		628,339,704	655,765,007
Current Assets			
Inventories	5.00	14,570,407	1,089,526
Trade & Other Receivables	6.00	369,985,513	404,712,710
Advances, Deposits & Prepayments	7.00	21,422,898	17,771,887
Cash & Cash Equivalents	8.00	592,763	2,321,783
		406,571,581	425,895,906
Total Assets		1,034,911,285	1,081,660,913
Shareholders Equity and Liabilities			
Shareholders Equity			
Share Capital	9.00	1,138,283,680	1,138,283,680
Tax Holiday Reserve	10.00	31,538,864	31,538,864
Revaluation Surplus	11.00	132,818,398	132,818,398
Retained Earnings	12.00	(736,858,872)	(590,736,033)
		565,782,070	711,904,909
Non-Current Liabilities			
Deferred Tax Liability	13.00	27,651,072	27,169,316
Long Term Loan (Non-Current Portion)	14.01	27,063,548	-
		54,714,620	27,169,316
Current Liabilities			
Trade & Other Payable	15.00	30,374,148	19,155,873
Short Term Bank Loan	16.00	-	17,553,195
Long Term Loan (Current Portion)	14.02	5,433,195	12,469,287
Provision for Bad & Doubtful Debts	17.00	285,797,060	202,356,355
Liabilities for Income Tax	18.00	75,522,325	65,186,121
Liabilities for WPPF	19.00	-	1,871,718
Non Refunded Subscription Money	20.00	181,750	5,248,500
Unclaimed Factional Dividend	21.00	2,266	23,134
Liabilities for Expenses	22.00	17,103,850	18,722,505
		414,414,594	342,586,688
Total Shareholders Equity and Liabilities		1,034,911,285	1,081,660,913
Net Asset Value (NAV) Per Share	23.00	4.97	6.25

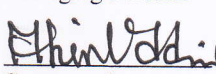
The accompanying notes form an integral part of these financial statements.


Chairman


Managing Director


Director


CFO (Current Charge)



Company Secretary

Signed as per our report on even date.

Dated: 01 November, 2022

Place: Dhaka

DVC: 22.11.00697 AS.576823

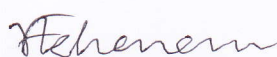

Md. Harun Or Rashid FCA (697)
Engagement Partner
ARTISAN
Chartered Accountants





ZAHEEN SPINNING LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2022

Particulars	Notes	Amount in Taka	
		June 30, 2022	June 30, 2021
Sales Revenue (Net off VAT)	24.00	337,577,733	285,391,902
Less: Cost of Goods Sold	25.00	366,146,005	316,975,187
Gross Profit/ (Loss)		(28,568,272)	(31,583,285)
Add: Other Income	26.00	1,414,792	4,986,643
		(27,153,480)	(26,596,642)
Less: Operating Expenses			
Administrative Expenses	27.00	18,630,447	21,137,268
Marketing Expenses	28.00	4,933,370	6,269,784
Loss on Sale of Vehicle	29.00	-	449,982
Provision for Bad & Doubtful Debts	17.00	83,440,705	92,899,830
		107,004,522	120,756,864
Profit from Operations		(134,158,002)	(147,353,505)
Less: Financial Expenses	30.00	5,168,981	2,756,425
Add/ (Less): Foreign Exchange Gain/(Loss)	31.00	21,383	(124)
Profit/ (Loss) before Charging WPPF		(139,305,600)	(150,110,054)
Less: WPPF Expenses	19.00	-	-
Net Profit/ (Loss) before fire loss & income tax		(139,305,600)	(150,110,054)
Less: Fire Loss	32.00	-	137,524,422
Net Profit/ (Loss) before income tax		(139,305,600)	(287,634,476)
Less: Tax Expenses	33.00		
Current Tax		6,335,483	1,940,952
Deferred Tax		481,756	(2,629,649)
		6,817,239	(688,697)
Net Profit/ (Loss) after Tax		(146,122,840)	(286,945,779)
Add: Other Comprehensive Income		-	-
Total Comprehensive Income		(146,122,840)	(286,945,779)
Earnings Per Share (EPS)	34.00	(1.28)	(2.52)

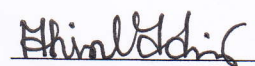
The accompanying notes form an integral part of these financial statements.


Chairman


Managing Director


Director


CFO (Current Charge)


Company Secretary

Signed as per our report on even date.

Dated: 01 November, 2022

Place: Dhaka

DVC: 2211100697AS.576823


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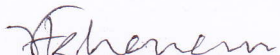


ZAHEEN SPINNING LIMITED
Statement of Changes in Equity
For the year ended 30 June 2022

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total Equity
Balance as on July 01, 2021	1,138,283,680	31,538,864	132,818,398	(590,736,033)	711,904,909
Bonus Share	-	-	-	-	-
Net Profit after Tax for the period	-	-	-	(146,122,839)	(146,122,839)
Balance as on June 30, 2022	1,138,283,680	31,538,864	132,818,398	(736,858,872)	565,782,070

For the year ended 30 June 2021

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total Equity
Balance as on July 01, 2020	1,138,283,680	31,538,864	132,818,398	(303,790,255)	998,850,687
Bonus Share	-	-	-	-	-
Net profit after Tax for the period	-	-	-	(286,945,779)	(286,945,779)
Balance as on June 30, 2021	1,138,283,680	31,538,864	132,818,398	(590,736,033)	711,904,909


Chairman


Managing Director



Director


CFO (Current Charge)


Company Secretary

Signed as per our report on even date.

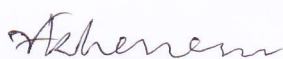
Dated: 01 November, 2022
Place: Dhaka
DVC: 22.11.00.697.AS.576823


Md. Harun Or Rashid FCA (697)
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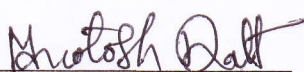
ZAHEEN SPINNING LIMITED
Statement of Cash Flows
For the year ended June 30, 2022

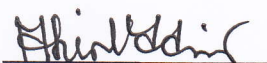
Particulars	Notes	Amount in Taka	
		June 30, 2022	June 30, 2021
A. Cash Flows from Operating Activities			
Collection from Customers & Others	35.00	373,719,722	323,491,935
Payment to Suppliers & Others	36.00	(338,553,455)	(257,631,094)
Adjustment of Payment of Advance Tax		4,000,721	-
Cash Generated from Operating Activities		39,166,988	65,860,841
B. Cash Flows from Investing Activities			
Cash payment for Expenses	37.00	(23,171,660)	(22,914,006)
Payment against Advance, Deposits & Prepayments		(3,651,011)	8,880,202
Finance Cost	38.00	(5,168,981)	(2,756,425)
Net Cash Flows from Operating Activities	39.00	7,175,336	49,070,612
B. Cash Flows from Investing Activities			
Acquisition of Fixed Assets		-	(3,655,104)
Work in Progress		(11,400,000)	(56,439,225)
Proceed from sale of vehicle		-	2,670,000
Proceeds from sale Salvage Fixed Assets		-	4,214,046
Net Cash Flows from Investing Activities		(11,400,000)	(53,210,283)
C. Cash Flows from Financing Activities			
Changes in short term bank loan		(17,553,195)	(871,063)
Payment of long term loan		20,027,456	(918,439)
Net Cash Flows from Financing Activities		2,474,261	(1,789,502)
D. Net Cash inflow/(outflow) for the year (A+B+C)		(1,750,403)	(5,929,173)
E. Cash & Cash Equivalent at beginning of the year		2,321,783	8,251,080
F. Foreign Exchange Gain/Loss		21,383	(124)
G. Cash & Cash Equivalent at end of the year (D+E)		592,763	2,321,783
Net Operating Cash Flows (NOCF) Per Share	40.00	0.06	0.43


Chairman


Managing Director


Director



CFO (Current Charge)


Company Secretary

Dated: 01 November, 2022

Place: Dhaka

DVC: 2211100697 AS 576823


Md. Harun Or Rashid FCA (697)
Engagement Partner
ARTISAN
Chartered Accountants



Zaheen Spinning Limited
Notes, Summary of Significant Accounting Policies and other Explanatory Information
For the year ended June 30, 2022

1.00 Background of the Company

1.01 Legal Status

Zaheen Spinning Limited was incorporated on July 22, 2007 as private limited companies under the Companies Act 1994 vide registration no. C-67789(340)/07. The company started its commercial operation on February 15, 2010. On August 14, 2012 it was converted into a public limited company. Bangladesh Securities and Exchange Commission (BSEC) has accorded consent for IPO on November 11, 2014 and on March 25, 2015 trading of shares of Zaheen Spinning Limited started on both the bourses namely Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE).

1.02 Registered office & location of the factory of the company

The registered office of the company is located at House-9, Road-10, Flat-A/1, Dhanmondi, Dhaka-1205 and Factory is situated at Jhawgara, Araihasar, and Narayanganj, Bangladesh.

1.03 Nature of business activities

The company is a 100% cotton yarn manufacturer of different counts.

1.04 Capital Structure of the Company

Particulars	Taka
Authorized Capital	
300,000,000 Ordinary Shares of Tk. 10.00 each	3,000,000,000
100,000,000 Preference Shares of Tk. 10.00 each	1,000,000,000
Issued, subscribed, called-up and paid-up capital	
113,828,368 Ordinary Shares of Tk. 10.00 each	1,138,283,680

1.05 Board of Directors

The composition of the Board of Directors is as follows:

Name	Position
Mrs. Farida Khanam	Chairman
Mr. Mahmudur Rahman	Managing Director
Mrs. Nusrat Jahan	Director
Mr. Mahbubur Rahman Khan	Director
Mrs. Masuma Khan	Director
Prof. M. Farid Ahmed	Independent Director
Dr. Saud Ahmed	Independent Director

2.00 Basis of Preparation of Financial Statements

2.01 Measurement bases and going concern

The financial statements have been prepared on historical cost convention under mercantile system, accounting for all accruals and pre-payments, on the assumption that the company will function as a going concern in the foreseeable future.



2.02 Reporting framework and compliance thereof:

The financial statement have been prepared in compliance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the listing regulation of Dhaka and Chittagong Stock Exchanges Limited and other relevant local laws as applicable, and in accordance with the applicable International Financial Reporting Standards (IFRSs) including with International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

2.03 Presentation of financial statements

The presentation of these financial statements is in accordance with the guidelines provided by IAS: 1 'Presentation of Financial Statements'.

- (i) statement of financial position as at June 30, 2022;
- (ii) statement of profit or loss and other comprehensive income for the year ended 01 July 2021 to 30 June 2022;
- (iii) statement of changes in equity for the year ended 01 July 2021 to 30 June 2022;
- (iv) statement of cash flows for the year ended 01 July 2021 to 30 June 2022;and
- (v) notes, summary of significant accounting policies and other explanatory information for the year ended 01 July 2021 to 30 June 2022.

2.04 Risk and Uncertainties for use of Estimates in preparation of financial statements.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure requirements for contingent assets and liabilities during and at the date of financial statements. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS-8: Accounting Policies, Changes in Accounting Estimates and Errors.

In particular, information about significant areas of estimation on uncertainty and critical judgments in applying accounting policies that have the most significant affect on the amounts recognized in the financial statements are included in the following notes:

- Note: 4 Properties, Plant and Equipment
- Note: 5 Inventories
- Note: 6 Trade & Other Receivables
- Note: 7 Advances, Deposits and Pre-payments
- Note: 15 Trades& Other Payable
- Note: 18 Liabilities for Income Tax

2.05 Reporting period

The financial statements cover 1(One) year from 01 July 2021 to 30 June 2022.

2.06 Authorization for issue

The financial statements were authorized for issue by the Board of Directors of the company on November 01, 2022.

2.07 Functional and presentation currency

The financial statements are prepared and presented in Bangladesh currency (BDT/Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest taka except where indicated otherwise.

2.08 Statement of Cash Flows

The statement of cash flows has been prepared in accordance with the requirements of IAS-7: 'Statement of Cash Flows'. The cash generating from operating activities has been reported using the direct method as



prescribed by the Securities and Exchange Rules-1987 and as the benchmark treatment of IAS-7, whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

2.09 IAS and IFRS Adopted by the Management

The following IAS and IFRS are applicable and adopted by management for preparation of financial statements for the year ended June 30, 2021;

Sl. No.	Name of the IAS	IAS's No.	Status
1	Presentation of Financial Statements	1	Applied
2	Inventories	2	Applied
3	Statement of Cash Flows	7	Applied
4	Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
5	Events after the Reporting Period	10	Applied
6	Income Taxes	12	Applied
7	Property, Plant and Equipment	16	Applied
8	Leases	17	N/A
9	Employees Benefits	19	Applied
10	Accounting for Government Grants & Disclosure of Government Assistance	20	N/A
11	The Effects of Changes in Foreign Exchange Rates	21	Applied
12	Borrowing Costs	23	Applied
13	Related Party Disclosures	24	Applied
14	Accounting and Reporting by Retirement Benefit Plans	26	N/A
15	Separate Financial Statements	27	N/A
16	Investment in Associates and Joint Ventures	28	N/A
17	Financial Reporting in Hyperinflationary Economics	29	N/A
18	Financial Instruments: Presentation	32	Applied
19	Earnings Per Share	33	Applied
20	Interim Financial Reporting	34	N/A
21	Impairment of Assets	36	Applied
22	Provision, Contingent Liabilities and Contingent Assets	37	Applied
23	Intangible Assets	38	N/A
24	Financial Instruments: Recognition & Measurement	39	Applied
25	Investment Property	40	N/A
26	Agriculture	41	N/A

SL. No.	Name of the BFRS/IFRS	IFRS No.	Status
1	First-time Adoption of Bangladesh Financial Reporting Standards	1	N/A
2	Share based payment	2	N/A
3	Business Combinations	3	N/A
4	Insurance Contracts	4	N/A
5	Non-Current Assets held for sale and discontinued operations	5	N/A
6	Exploration for and evaluation of mineral resources	6	N/A
7	Financial Instruments: Disclosures	7	Applied
8	Operating Segments	8	N/A
9	Financial Instruments	9	Applied
10	Consolidated Financial Statements	10	N/A
11	Joint Arrangements	11	N/A



12	Disclosure of Interests in Other Entities	12	N/A
13	Fair Value Measurement	13	Applied
14	Regulatory Deferral Accounts	14	N/A
15	Revenue from Contracts with Customers	15	Applied
16	Leases	16	Applied
17	Insurance Contracts	17	N/A

3.00 Significant Accounting Policies

3.01 Principal Accounting Policies

The accounting policies and methods of computation used in preparation of the financial statements for the year ended 30 June 2022 are consistent with those adopted in the financial statements for the period ended 30 June 2021.

3.02 Revenue Recognition

Revenue from net sales of the company represents invoiced value of sale of Knit Yarn selling to the customers. Revenue is recognized in accordance with IFRS 15 and the recognition process involves the following 5-step process:

- Identifying the contract from a customer;
- Identifying the performance obligation;
- Determining the transaction prices;
- Allocating the transaction price to the performance obligation; and
- Recognizing revenue when/as performance obligation(s) is satisfied.

If the Company satisfies a performance obligation before it receives the consideration, the Company recognizes Accounts Receivable in its statement of financial position. Similarly, if the Company receives a consideration before the performance obligation, a contract liability is recognized. As at June 30, 2022, the Company did not receive any consideration before performance obligation was completed and there is no amount recognized on the Statement of Financial position as of the end of the year.

In compliance with the requirements of IFRS 15, the Company recognizes revenue when control of the goods or services has been transferred to the customer and the performance obligation has been completed. Revenue is measured at the fair value of the amount of consideration to which the Company expects to be entitled to, including variable consideration, if any, to the extent that it is highly probable that a significant reversal will not occur.

Net Revenue reflects the Company's sale of goods less returns and discounts. Revenue is recognized at the point of delivery measured at fair value of the consideration received, net of discounts. IFRS 15 requires Companies to determine variable factors such as sales returns when calculating the fair value of the consideration to be received. The magnitude and quantity of sales returns as a percentage of sales has been historically extremely minute and there were no returns recognized in the current year. As a result, the Company does not make a sales return allowance at the end of the year.

3.03 Property, Plant and Equipment

3.03.1 Recognition and Measurement

Property, Plant and Equipment are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation in compliance with the requirements of IAS 16: 'Property, Plant and Equipment'. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non refundable taxes. Capital work-in-progress represents cost of effluent treatment plant & civil work-in-progress for such plant.

3.03.2 Subsequent Expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably.



Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the profit and loss account as expenses if incurred. All up-gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

3.03.3 Depreciation

Depreciation is recognized in statement of profit or loss and other comprehensive income on diminishing balance method over the estimated useful lives of fixed assets. Depreciation is charged on addition from the date of the assets when available for use. Depreciation is provided on a diminishing balance method at the rate(s) shown below:

Particulars	Rate
Land & land development	0%
Plant & machinery	10%
Building	10%
Office equipment	15%
Furniture & fixture	15%
Generator	15%
Vehicles	15%
Electrical equipment	10%

Depreciation is provided on all fixed assets except land and land development.

3.03.4 Retirement and disposal

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset under other income in the statement of comprehensive income. There was no disposal of assets during the year.

3.03.5 Revaluation of Fixed Assets

The company revalued its Land & Land Development for the 1st time in the year ended 31 December 2015 by WASO Engineers & Consultants (BD) Ltd. dated on 12 March 2016 and subsequently the auditor (AHMAD & AKHTAR, Chartered Accountant) certified the revaluation report dated on 15 March 2016.

3.03.6 Inventories

Inventories are valued at the lower of cost or net realizable value with cost determined by weighted average cost basis. The cost of inventories comprises of expenditure incurred (raw materials, work-in process, finished goods, waste cotton, packing materials, store and spares and stock-in transit) in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

3.03.7 Impairment of Assets

In accordance with the provision of IAS-36, the carrying amount of non-financial assets other than inventories of the company involved in the manufacturing of the products. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in the statement of comprehensive income. No such indication of impairment has been observed till the end of the year.

3.04 Borrowing Costs

Borrowing costs comprise of interest expense on long and short term loan. The costs are charged to revenue except those are capitalized in accordance with IAS-23: Borrowing Costs.

3.05 Financial Assets

Financial assets of the company include cash and cash equivalents and accounts receivable.



3.06 Trade & Other Receivables

Trade receivables are created at original invoice amount less any provision for doubtful debts. Provision is made where there is evidence of a risk of non-payment, taking into account ageing, provision experience and general economic conditions. When an accounts receivable is determined to be uncollectible it is written off, firstly against any provision available and then to the statement of comprehensive income.

3.07 Advance, Deposits and Prepayment

Advance is initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to statement of profit or loss comprehensive income.

3.08 Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost and include cash in hand and with banks on current deposit and marginal deposits accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.09 Financial Liability

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Financial liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

3.10 Provision

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation.

3.11 Tax holiday

The national board of revenue (NBR) had granted tax holiday for a period of 5 (Five) years vide Ref. No. 11(23) Abz-1/2010 dated-27-06-2010 under Income Tax Ordinance 1984 (XXXVI of 1984) section 46A(3). The company is maintaining tax holiday reserve @ 30.00% of Net Profit before Tax in the statement of financial position.

3.12 Tax holiday reserve

This is being created out of tax holiday profit to invest in the same undertaking or in any new industrial undertaking or in stocks and shares of listed companies or in government bonds or securities or for other purposes as required by the Income Tax Ordinance 1984.

3.13 Taxation

3.13.1 Current Tax

Current tax is the expected tax payable on the taxable income for the period ended, using tax rates enacted or subsequently enacted after the reporting date and any adjustment to tax payable in respect of previous years. Provision for taxation is calculated on the basis of applicable current tax rate and incompliance with Finance Act, 2022.

3.13.2 Deferred tax

Deferred tax arises due to temporary difference deductible or taxable for the transaction which is recognized in the statement of profit or loss and other comprehensive income. A temporary difference between the tax



base of an asset or liability and its carrying amount/or amount in the Statement of Financial Position. Deferred tax assets or liability is the year income tax recoverable or payable in future period recognized in the current period as per "IAS 12: Income Tax".

3.14 Earnings per share (EPS)

This has been calculated by dividing the earnings attributable to the ordinary shareholders by total number of ordinary shares outstanding during the year. The company calculated earning per share (EPS) in accordance with IAS-33: 'Earnings Per Share' which has been shown on the face of profit and loss account and the computation of EPS is stated in Note no:34.

3.14.1 Basic Earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax holiday reserve for the period has been considered as fully attributable to the ordinary shareholders.

3.14.2 Diluted Earnings Per Share

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares. However, no dilution of EPS is applicable for these financial statements as there were no potential ordinary shares during the relevant period.

3.15 Foreign Currencies Transaction

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date in accordance with IAS-21 'the Effects of changes in Foreign Exchange Rates'. Foreign currency transactions translated at the financial position date are charged/credited to the statement of Profit or Loss and Other Comprehensive Income whenever arise.

3.16 Workers Profit Participation Fund

The Board of Directors of the Company in their 32nd meeting has decided to comply with the Labor Law 2006 and introduced workers profit participation fund (5% of profit before tax). The company has decided to establish a contributory provident fund and gratuity fund and to form a trusty body for operation of provident fund which will be effective after due approval of relevant authority.

3.17 Segment Reporting

No segment reporting is applicable for the company as required by "IFRS-8: 'Operating Segments' as the company operates in a single industry segment and within as geographical segment.

3.18 Events after the Reporting Period

In compliance with the requirements of IAS-10: 'Events after the Reporting Period', provided additional information about the company's position at the statement of financial position date are reflected in the financial statements and events after the statement of financial position date that are not adjusting events are disclosed in the notes when material.

3.19 Related Party Disclosures

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by IAS-24: 'Related Party Disclosures' has been disclosed in a separate note (Note no:44) to the accounts.

3.20 Leases (IFRS 16)

The Company applied IFRS 16 Leases for the first time on 1 July 2019. A Lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Previously the Company used to charge the consideration paid in its books as rent expenses. IFRS 16 introduced a single, on balance sheet accounting model for leases. Company has only office rent agreement, which is classified as operating leases, which under IFRS 16 are required to be recognized on the Company's statement of financial position. These rental agreements are less than or



equal to 12 (Twelve) months and therefore fall under the definition of a short-term lease. In accordance with paragraph 6 of IFRS 16, the Company recognizes the rental expenses as they are accrued by the Company. The Company did not record any right-of-use assets and lease liabilities related to these rental agreements in the current year.

3.21 Comparative information and General

- i) Comparative figures have been re-arranged where considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.
- ii) Figures for the year ended 30th June 2022 have been rearranged wherever considered necessary to ensure comparability with the current period.



Amount in Taka	
June 30, 2022	June 30, 2021

4.00 Property, Plant and Equipment

The details of Fixed Assets and allocation of depreciation has been shown in **Annexure-A** of the enclosed Financial Statement. The Break up is given below:

Name of Assets	Cost Value	Accumulated Depreciation	Written Down Value	Written Down Value
Land & Land Development	104,675,109	-	104,675,109	104,675,109
Plant & Machinery	542,390,892	278,137,753	264,253,139	250,602,944
Building & Constructions	140,728,168	60,779,715	79,948,453	79,894,573
Office Equipment	3,262,562	2,246,691	1,015,871	950,643
Furniture & Fixture	2,411,961	1,811,700	600,262	706,190
Vehicles	4,266,000	1,844,602	2,421,398	2,848,704
Electrical Equipment	38,241,310	11,142,021	27,099,289	22,721,436
Revaluation Surpluse of Land & Land	136,926,183	-	136,926,183	136,926,183
Total	972,902,185	355,962,481	616,939,704	599,325,782

Since inception, the company revalued its Land & Land Development for the 1st time in the year ended 31 December 2015 by WASO Engineers & Consultants (BD) Ltd. dated on 12 March 2016 and subsequently the auditor (Ahmad & Akhtar Chartered Accountant) certified the revaluation report dated on 15 March 2016. Revaluation Surplus has arisen Tk. 136,926,183

5.00 Inventories

Raw Materials	2,817,732	-
Work-in-Process	7,084,776	-
Finished Goods	2,699,000	-
Wastage Goods	212,333	-
Spare Parts	1,756,566	1,089,526
	14,570,407	1,089,526

- Quantity reconciliation of products were done properly.
- The valuation of closing inventory has been made on the basis of lower of cost and net realizable value as per IAS-2.
- Conduction of physical verification/stock taking of above inventories as on 30.06.2022 was done.
- Spare parts consists of the total cost of spare parts.

Details Shown in Annexure-B

6.00 Trade & Other Receivables

Opening Balance	404,712,710	437,826,100
Add: Sales during the year	337,577,733	285,391,902
Total	742,290,443	723,218,002
Less: Realised during the year	372,304,930	318,505,292
Closing Balance	369,985,513	404,712,710

This is considered as fully secured and is considered good & realizable within one year. The classification of receivables as required by the Schedule XI of the Companies Act, 1994 are given below:

Particulars	30 June 2022 (Taka)	30 June 2021 (Taka)
i. Receivables considered good in respect of which the company holds no security other than the debtor personal security	84,188,453	202,356,355
ii. Receivables considered doubtful or bad	285,797,060	202,356,355
iii. Receivables due by directors or other officers & staffs		
iv. Receivables due from companies under same management		
v. The maximum amount of receivable due by any director or other officer of the company		
Total	369,985,513	404,712,710

Ageing of the above Trade Receivable is given below:



Particular	Less than 6 Months	6 Months Above	Amount in Taka	
			June 30, 2022	June 30, 2021
			Total	Total
Customers	9,462,000	360,523,513	369,985,513	404,712,710

Details Shown in Annexure-C

7.00 Advance, Deposit & Prepayments

Advances:

Salary & others	225,000	149,160
Tax, Vat & Others	6,275,294	274,573
Others Advance	140,000	140,000
Contractor/ Supplier	1,677,376	6,217,376
Sub Total	8,317,670	6,781,109

Deposits:

Security Deposit	13,105,228	10,990,778
Sub Total	13,105,228	10,990,778
Grand Total	21,422,898	17,771,887

There is no amount of loans advances due for payment for a period of more than 12 months from the date of Balance Sheet.

There is no aggregate amount due from Directors.

All advance and deposit amount considered good and recoverable.

There is no agreement with director and officers of the company regarding advance or due amount

There are no claims against the company, which can be acknowledged as bad debt.

8.00 Cash & Cash Equivalents

a) Cash in Hand 276,041 105,721

b) Cash at Bank

MTBL A/C No -01356	-	236,973
MTBL A/C No -01612	231,008	209,625
MTBL A/C No -9037	15,573	19,218
SBAC A/C No -81390/117	-	1,442
SBAC A/C No -79742/4956	1,922	1,922
Southeast Bank A/C no -0064	20,513	1,033,158
Southeast Bank A/C no -2315	3,453	575,859
The City Bank Ltd. A/C No. 81001	5,275	95,735
NRB Ltd. A/C No. 316	2,183	3,620
BRAC Bank Ltd. A/C No-302001	9,858	10,433
UCBL A/C No- 01221110001608/0041	-	-
Al-Arafa Islami Bank Ltd A/C No- 96988	2,355	3,045
	292,140	2,191,030
c) Balance at BO Account (MTBCL)	24,582	25,032
Total Cash & Cash Equivalents (a+b+c)	592,763	2,321,783

Foreign currency account balances have been converted to Taka at the ruling rate at the reporting date.

9.00 Share Capital

Authorized Share Capital

300,000,000 Ordinary Shares of Tk. 10.00 each
100,000,000 Preference Shares of Tk. 10.00 each

3,000,000,000	3,000,000,000
1,000,000,000	1,000,000,000
4,000,000,000	4,000,000,000

Issued, subscribed and paid up capital :

11,38,28,368 Ordinary Shares of Tk. 10.00 each

1,138,283,680	1,138,283,680
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Shareholding Position:

	No. of Share	No. of Share
Sponsors & Directors	35,404,336	35,404,336
Institutions	35,924,359	33,197,815
General Public	42,499,673	45,226,217
	113,828,368	113,828,368

10.00 Tax Holiday Reserve

Opening Balances	31,538,864	31,538,864
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	Amount in Taka	
	June 30, 2022	June 30, 2021
Add: Provision made during the period	-	-
	31,538,864	31,538,864
Less: Adjustment of tax holiday reserve as per BAS-8	-	-
	31,538,864	31,538,864

- i) This have been provided as per provisions of section 46(A) of the Income Tax Ordinance, 1984.
ii) Tax holiday reserve have been adjusted as per IAS-8, Para-42 for the period ended 30 June 2016 due to over provision of Tax holiday reserve for the period ended 30 June 2015.

Para-42: Subject to paragraph 43, an entity shall correct material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

- (a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or
(b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Para-43: A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

11.00 Revaluation Surplus

Opening Balance	132,818,398	132,818,398
Less: Prior Year Correction	-	-
Adjusted Opening Balance	132,818,398	132,818,398
Add: Revaluation Surplus for current year	-	-
	132,818,398	132,818,398

12.00 Retained Earnings

Opening Balance	(590,736,033)	(303,790,255)
Add: Net Profit/(Loss) for the year	(146,122,840)	(286,945,779)
Retained Earnings	(736,858,872)	(590,736,033)

13.00 Deferred Tax Liability

Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value of property, plant and equipment as per financial statements and tax based written down value and financial position's liability method for gratuity obligation.

Opening Balance	27,169,316	29,798,965
Expenses/ (Income) of Deferred Tax for the year	481,756	(2,629,649)
Deferred Tax Liability /(Assets) as on 30 June 2022	27,651,072	27,169,316

Details Shown in Note 33.02

14.00 Long Term Loan

14.01 Long Term Loan (Non-Current Portion):

Name of Bank	Type of A/C	Branch	Account No	June 30, 2022	June 30, 2021
MTBL	Term Loan	Dilkusha	0012-5161000314	1,032,368	-
MTBL	Term Loan	Dilkusha	0012-5161000225	1,323,292	-
MTBL	Term Loan	Dilkusha	0012-5161000252	7,903,044	-
MTBL	Term Loan	Dilkusha	2403-000005628	16,804,844	-
Total				27,063,548	-



Amount in Taka	
June 30, 2022	June 30, 2021

14.02 Long Term Loan (Current Portion)

Name of Bank	Type of A/C	Branch	Account No	30 June 2022	30 June 2021
MTBL	Term Loan	Dilkusha	0012-5161000314	278,052	1,251,954
MTBL	Term Loan	Dilkusha	0012-5161000225	356,196	1,605,759
MTBL	Term Loan	Dilkusha	0012-5161000252	2,142,634	9,611,574
MTBL	Term Loan	Dilkusha	2403-000005628	2,656,313	-
Total				5,433,195	12,469,287

Mode of adjustment	Quarterly Installment
Security	The loan are secured by registered mortgage of 354.59 decimals land owned by company, Factory Building, Hypothecation Import & Local machineries and Master cheque covering the total loan amount.

15.00 Trade & Others Payable

Trade Payable	3,704,474	3,292,144
Others Payable	26,669,674	15,863,729
Total	30,374,148	19,155,873

This represents the amount payable to regular suppliers, packing materials, utilities and others services rendered to the company. All suppliers were paid on a regular basis.

16.00 Short Term Bank Loan

(MTBL A/C No - 0398 (Cash Credit))	-	17,553,195
	-	17,553,195

The above loan has been converted into a Term Loan A/C No. 240300005628 for a period of six years.

17.00 Provision for Bad Doubtful Debts

Opening Balance	202,356,355	109,456,525
Add: Provision made for the year	83,440,705	92,899,830
	285,797,060	202,356,355

18.00 Liabilities for Income Tax

Opening Balance	65,186,121	63,245,169
Add: Prior Year adjustment (AY 2011-2012 & 2016-2017)	4,093,165	-
Add: Adjustment of Payment of Advance Tax	4,000,721	-
Add: Provision made for the year	2,235,838	1,940,952
	75,515,845	65,186,121
Less: Payment	-	-
Closing balance	75,515,845	65,186,121

Year Wise Break up of Income Tax Liabilities:

Year		
2021-2022	2,242,318	-
2020-2021	1,940,952	1,940,952
2019-2020	3,420,049	3,420,049
2018-2019	5,612,768	5,612,768
2017-2018	13,927,966	13,927,966
2016-2017	18,932,240	18,932,240
2015-2016	7,263,699	3,262,978
31.12.2015 2016-2017	22,174,831	18,089,166
30.12.2011	7,500	-
Total	75,522,323	65,186,121



		Amount in Taka	
		June 30, 2022	June 30, 2021
19.00	Liabilities for Workers Profit Participation Fund (WPPF)		
	Opening Balances	1,871,718	1,871,718
	Add: Provision for the year	-	-
		1,871,718	1,871,718
	Less: Current year payment	1,871,718	-
	Closing balance	-	1,871,718
20.00	Non Refunded Subscription Money		
	Opening Balance		
	General Public	5,066,750	5,066,750
	NRB	181,750	181,750
		5,248,500	5,248,500
	Less: Refund during the year	5,066,750	-
	Closing Balance	181,750	5,248,500
21.00	Unclaimed Fractional Dividend		
	Opening Balance	23,134	23,134
	Add: Unclaimed for the period/year	-	-
		23,134	23,134
	Less: Paid during the period/year	10,450	-
	Less: Transferred to CMSF	10,418	-
	Closing Balance	2,266	23,134
22.00	Liabilities for Expenses		
	Salary & Allowance	525,300	191,717
	Wages & Salary	3,658,534	2,977,513
	Director Remuneration	2,100,000	2,625,000
	Withholding Tax	106,955	106,955
	VAT Payable	309,376	51,030
	Gas Bill	4,773,474	6,941,507
	Audit Fee	149,500	149,500
	Printing Bill Payable	-	26,000
	Listing Fee Payable	268,097	811,583
	Advertisement Bill Payable	158,960	136,900
	Transport Bill Payable	173,000	-
	Electricity & Utility Bill	4,880,654	4,704,800
		17,103,850	18,722,505
23.00	Net Asset Value (NAV) Per Share (including revaluation surplus)		
	Share Capital	1,138,283,680	1,138,283,680
	Tax Holiday Reserve	31,538,864	31,538,864
	Revaluation Surplus	132,818,398	132,818,398
	Retained earnings	(736,858,872)	(590,736,033)
	A. Total shareholders equity	565,782,070	711,904,909
	B. No. of ordinary shares outstanding	113,828,368	113,828,368
	Net asset value (NAV) per share (A/B)	4.97	6.25
	Net Asset Value (NAV) Per Share (Excluding revaluation surplus)		
	A. Net asset value (NAV)	432,963,672	579,086,511
	B. No. of ordinary shares outstanding	113,828,368	113,828,368
	Net Asset Value (NAV) Per Share (Excluding revaluation surplus) (A/B)	3.80	5.09

Since net loss has been increased due to low production & sales for repairing, renovation, reconstruction, replacement and installation of new machineries after fire incident, NAV has been decreased.



		Amount in Taka	
		June 30, 2022	June 30, 2021
24.00 Sales Revenue			
Gross Sales		339,720,390	286,992,000
Less: Value Added Tax (VAT)		2,142,657	1,600,098
Net Sales		337,577,733	285,391,902
<p>A massive fire incident occurred at Factory Premises on January 21, 2021. Since then production remain suspended till the end of July 16, 2021 for repairing, renovation, reconstruction, replacement and installation of new machineries. Production had been resumed on 17 July 2021 in a limited capacity which was continuing till the end of the reporting period. As a result, sales have been slightly improved during the reporting period compared to same period of the previous year as there was a mill closure for a period around 5.5 months for fire incident.</p>			
25.00 Cost of Goods Sold			
Raw material consumed	Note 25.01	227,728,492	170,813,061
Add: Work-in-process- Opening		-	2,447,022
		227,728,492	173,260,083
Less: Work-in-process-Closing		7,084,776	-
Less: Fire Damaged		-	1,488,000
Materials transferred to finished goods		220,643,716	171,772,083
Add: Factory overhead	Note 25.02	148,413,622	141,720,954
Cost of goods manufactured		369,057,338	313,493,037
Add: Opening Finished goods		-	15,518,205
Add: Opening Wastage goods		-	505,183
Cost of goods available for sale		369,057,338	329,516,425
Less: Closing Finished goods		2,699,000	-
Less: Closing Wastage Goods		212,333	-
Less: Fire Damaged (Finished Goods)		-	12,541,238
Less: Obsolete Finished Goods Written Off		-	-
Cost of goods sold for the period		366,146,005	316,975,187
25.01 Raw Material Consumed			
Opening stock		-	61,238,923
Add: Purchase during the year		230,546,224	170,001,555
Raw material available for consumption		230,546,224	231,240,478
Less: Closing stock		2,817,732	-
Less: Obsolete Raw Materials Written Off		-	-
Less: Fire Damaged		-	60,427,417
Raw material consumed		227,728,492	170,813,061
25.02 Factory Overhead			
Wages & Salary		45,949,997	34,517,758
Over time		829,580	426,839
Gas bill		4,418,350	15,649,486
Packaging expenses		2,086,480	1,787,650
Spare parts consumed		6,048,380	7,999,164
Daily labour		247,345	108,530
Loading & Unloading Expenses		387,245	554,371
Fire Protection		571,739	1,529,805
Transport & Others		2,994,160	2,203,015
Miscellaneous Expenses		328,823	557,881
Electricity, Utility & others bill		45,897,995	33,627,451
Repairing & Maintenance		1,596,366	1,338,756
Mobil, Oil & Lubricant		1,550,000	1,708,600
Workshop expenses		273,000	77,000
Fax, Phone & Fooding exp.		291,388	286,935
Depreciation (Annexure-A)		34,942,774	39,347,713
		148,413,622	141,720,954



		Amount in Taka	
		June 30, 2022	June 30, 2021
26.00	Other Income		
	Wastage Sales	1,414,792	1,405,733
	Sale of Obsolete Raw Materials	-	-
	Sale of Obsolete FG	-	-
	Insurance Claim Received		3,577,072
	Interest Income from Bank	-	3,838
	Note 26.01		
		1,414,792	4,986,643
26.01	Interest Income from Bank		
	Interest Income	-	3,838
	Total Income	-	3,838
27.00	Administrative Expenses		
	Salary and Allowances	5,540,600	5,199,185
	Directors remuneration	2,800,000	5,250,000
	Vehicle Maintenance	365,931	319,862
	Stationery & Printing	89,311	120,142
	Medical Expenses	-	11,448
	Advertisement	244,005	193,363
	Meeting exp. & others	420,980	651,000
	Insurance	587,500	2,017
	Travelling, tour and conveyance	158,128	643,596
	Fax, telephone & photocopy expenses	129,927	147,479
	Renewal & others fees	750,646	448,701
	Consultancy & Legal Fee	127,910	100,200
	Audit Fee	149,500	149,500
	Other Professional Expenses	17,250	-
	Office rent	1,140,000	1,140,000
	Office expenses	59,785	119,446
	Regulatory & others Expenses	1,211,314	1,356,888
	Fooding & Entertainment	147,542	205,199
	Electric & Utility bill	289,545	303,572
	News paper, books & forms	4,290	5,868
	Repairs & maintenance	234,000	250,010
	Misc. & Others exp.	279,753	147,823
	Depreciation (Annexure-A)	3,882,530	4,371,968
		18,630,447	21,137,268
28.00	Marketing Expenses		
	Business Promotional Expenses	1,784,236	2,192,194
	Commission & Others	3,149,134	4,077,590
		4,933,370	6,269,784
29.00	Loss on Sale of Vehicles		
	Book Value of Vehicles	-	10,655,300
	Less: Accumulated Depreciation	-	7,535,318
		-	3,119,982
	Less: Sold	-	2,670,000
	Loss on sale	-	449,982
30.00	Financial Expenses		
	Bank charge & commission	247,620	85,427
	Interest on long term loan	2,509,292	1,060,561
	Interest on CC hypo	2,412,069	1,610,437
		5,168,981	2,756,425



				Amount in Taka	
				June 30, 2022	June 30, 2021
31.00	Foreign Exchange Gain/ (Loss)				
	Exchange Gain / (loss)			21,383	(124)
				<u>21,383</u>	<u>(124)</u>
32.00	Fire Loss				
A	Loss of Fixed Assets for Fire Incident:				
	Book Value of Fire Lost Fixed Assets			-	108,638,186
	Less: Accumulated Depreciation for the Fire Lost Assets			-	43,649,429
				-	64,988,757
	Less: Salvage Assets Sold			-	4,214,046
	Loss of Fixed Assets due to Fire			-	60,774,711
	Details Shown in Annexure-A				
B	Inventory Lost on Account of Fire	Note	32.01	-	76,749,711
	Total Loss by Fire (A+B)			-	137,524,422
32.01	Details of Fire Loss of Inventories	<u>Quantity(Lbs)</u>			
	Raw Materials			-	60,427,417
	Finished Goods			-	12,541,238
	Work in process			-	1,488,000
	Wastage Goods			-	2,293,056
				-	76,749,711
33.00	Income Tax Expenses				
	Current Tax	Note	33.01	2,242,318	1,940,952
	Add: Prior Year adjustment (AY 2011-2012 & 2016-2017)			4,093,165	-
	Total Current Tax Expenses			6,335,483	1,940,952
	Deferred Tax	Note	33.02	481,756	(2,629,649)
				6,817,239	(688,697)
33.01	Current Tax				
	Current Tax on Operating Income		33.01.A	(21,384,057)	(43,775,580)
	Current Tax on Other Income		33.01.B	353,698	1,246,661
	Total Current Tax			(21,030,359)	(42,528,919)
	Tax as per ITO Section 82 (C) @ 0.60%		33.01.C	2,242,318	1,940,952
	Current Tax, Which ever is higher			2,242,318	1,940,952
33.01.A	Current Tax on Operating Income				
	Net Profit Before Tax			(139,305,600)	(287,634,476)
	Add: Depreciation as accounting base			38,825,304	43,719,681
	Add: WPPF Expenses			-	-
	Less: Depreciation as per tax base			(40,165,290)	(42,935,765)
	Less: Other income			(1,414,792)	(4,986,643)
	Less: Payment for WPPF			(500,000)	-
	Taxable operating income			(142,560,378)	(291,837,203)
	Income tax @ 15%			(21,384,057)	(43,775,580)
33.01.B	Current Tax on Other Income @ 25%			353,698	1,246,661



Amount in Taka	
June 30, 2022	June 30, 2021

33.01.C Calculation of Gross Receipts as per 82(C):

Sales during the year	337,577,733	285,391,902
Add: Other Income during the year	1,414,792	4,986,643
Add: Trade Receivables as on July 1, 2021/2020	404,712,710	437,826,100
Less: Trade Receivables as on June 30, 2022/2021	(369,985,513)	(404,712,710)
Gross Receipts	373,719,722	323,491,935
Tax as per ITO Section 82 (C) @ 0.60%	2,242,318	1,940,952

33.02 Deferred Tax

Total income tax for the year	6,817,239	(688,697)
Less: Current Tax	6,335,483	1,940,952
Deferred Tax	481,756	(2,629,649)

Deferred tax for the year

Details are as follows:

Carrying Value as per Accounts

Property, Plant & Equipment	375,338,412	357,724,490
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Carrying Value as per Tax Base

Property, Plant & Equipment	218,383,165	202,109,230
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Taxable Difference	156,955,247	155,615,260
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Less: Liability to Employees	-	1,871,718
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Net Taxable Difference	156,955,247	153,743,542
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Applicable Income Tax Rate	15%	15%
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Deferred Tax Liability at the end of the period	23,543,287	23,061,531
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Deferred Tax Liability- 3% of Revaluation Surplus	4,107,785	4,107,785
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Total Deferred Tax Liability at the end of the period	27,651,072	27,169,316
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Deferred Tax Liability at the beginning of the period	27,169,316	29,798,965
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Deferred Tax Expenses during the period	481,756	(2,629,649)
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34.00 Earning Per Share (EPS)

(i) Earnings from core business

a) Net Profit/(Loss) after tax excluding Extraordinary Income & Fire Loss	(147,529,143)	(154,378,080)
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b) Weighted average number of shares (Note-34.01)	113,828,368	113,828,368
---	-------------	-------------

Earnings Per Share (EPS) from core business before fire loss (a/b)	(1.30)	(1.36)
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(ii) Earnings from Extra Ordinary Income

a) Extra Ordinary Income after tax	1,406,303	4,956,723
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b) Weighted average number of shares (Note-34.01)	113,828,368	113,828,368
---	-------------	-------------

Earnings Per Share (EPS) from extraordinary income (a/b)	0.01	0.04
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(iii) Basic Earnings per Share (EPS) before fire loss (i+ii)

	(1.28)	(1.31)
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(iv) Fire Loss

a) Fire loss	-	(137,524,422)
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b) Weighted average number of shares (Note-34.01)	113,828,368	113,828,368
---	-------------	-------------

Earnings per Share (EPS) from fire loss (a/b)	-	(1.21)
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Basic Earning per Share (iii+iv)	(1.28)	(2.52)
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A massive fire incident occurred at Factory Premises on January 21, 2021. After for repairing, renovation, reconstruction, replacement and installation of new machineries production had been resumed on 17 July 2021 in a limited capacity which was continuing till the end of the reporting period resulted a negative EPS. Though there is a negative EPS, nevertheless EPS has been increased in the current year as compared with previous year. This is because there is no write off of Advance, Deposits and Prepayments and no Write off of obsolete Raw Materials and Obsolete Finished Goods during the reporting period.



Amount in Taka	
June 30, 2022	June 30, 2021

34.01 Weighted Average Number of Shares

Particulars	Number of Share outstanding		Weight average no. of Share	Weight average no. of Share
Opening Shares Capital	52,800,000	1	52,800,000	52,800,000
IPO Shares	12,000,000	1	12,000,000	12,000,000
Bonus Shares-2014	9,720,000	1	9,720,000	9,720,000
Bonus Shares-2015-16	11,178,000	1	11,178,000	11,178,000
Bonus Shares-2016-17	12,854,700	1	12,854,700	12,854,700
Bonus Shares-2017-18	9,855,270	1	9,855,270	9,855,270
Bonus Shares-2018-19	5,420,398	1	5,420,398	5,420,398
Total	113,828,368		113,828,368	113,828,368

35.00 Cash Received from Customers

Revenue	337,577,733	285,391,902
Add: Other income	334,703	4,986,643
Add/Less: Decrease/(Increase) in accounts receivable	34,727,197	33,113,390
	372,639,633	323,491,935

36.00 Cash paid to Suppliers

Cost of goods sold	366,146,005	316,975,187
Fire Loss in Inventory	-	76,749,711
Increase/(decrease) in inventory	13,480,881	(81,384,600)
(Increase)/decrease in accounts payable	(11,218,275)	(15,361,491)
Add: (increase)/decrease in Non Refunded Subscription Money	5,066,750	-
(Increase)/decrease in unclaimed fractional dividend	20,868	-
Less: Depreciation	(34,942,774)	(39,347,713)
	338,553,455	257,631,094

37.00 Cash Payment for Expenses

Administrative, Selling & Distribution expenses	18,630,447	21,137,268
Add: Marketing expenses	4,933,370	6,269,784
Add: Increase in liabilities for expenses	1,618,655	(121,077)
Add: WPPF paid	1,871,718	-
Less: Depreciation	(3,882,530)	(4,371,968)
	23,171,660	22,914,006

38.00 Finance Cost

Bank charge & commission	247,620	85,427
Interest payment on long term loan	2,509,292	1,060,561
Interest payment on short term loan	2,412,069	1,610,437
	5,168,981	2,756,425

39.00 Reconciliation of cash generated by operations

Net Profit After Tax	(147,196,448)	(286,945,779)
Depreciation as Non Cash Expenses	38,825,304	43,719,681
Loss on Sale of Vehicles	-	449,982
(Increase)/Decrease of Account Receivables	34,727,197	33,113,390
(Increase)/Decrease of Inventories	(13,480,881)	81,384,600
Fire Loss in Fixed Assets	-	60,774,711
(Increase)/Decrease of Advance, Deposits & Prepayments	(3,651,011)	8,880,202
Increase/(Decrease) of Liabilities for expenses	(1,618,655)	121,077
Increase/(Decrease) of Accounts Payable	11,218,275	15,361,491
Increase/(Decrease) in Non Refunded Subscription Money	(5,066,750)	-
(Increase)/decrease in Unclaimed Fractional Dividend	(20,868)	-
Increase/(Decrease) of Provision for Income Tax	10,329,724	1,940,952
Increase/(Decrease) of Deferred Tax Liability	481,756	(2,629,649)
Increase/(Decrease) of WPPF Expenses	(1,871,718)	-
Provision for Bad & Doubtful Debts	83,440,705	92,899,830
Foreign Exchange Gain	(21,383)	124
Net Cash Flows from Operating Activities	6,095,247	49,070,612



				Amount in Taka	
				June 30, 2022	June 30, 2021
40.00	Net Operating Cash Flow Per Share (NOCFPS)				
	Net Operating Cash Flows			6,095,247	49,070,612
	Weighted average number of shares	Note	34.01	113,828,368	113,828,368
				0.05	0.43

NOCFPS has been decreased due to increase in cost of goods sold.

41.00 Employees Position (as of June 30, 2022)

Employee Position of Zaheen Spinning Limited as per requirement of schedule XI, Part II, Para 3 of company Act 1994.

Salary range (Monthly)	Total	Officer & Worker	
		Head Office	Factory
Below 5,500	-	-	-
Above 5,500	505	25	480

42.00 Bank Guarantee

The company have no Bank Guarantee on the reporting date.

43.00 Capital Commitment

The company have no Capital Commitment at the reporting date.

44.00 Related Party Transaction

During the period the Company carried out a number of transactions with related parties in the normal course of business on an arms' length basis. Names of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of BAS-24: Related Party Disclosures.

Particulars	Relationship	Transaction during the year / period	Outstanding as on 30.06.2022	Outstanding as on 30.06.2021
Mrs. Farida Khanam	Chairman	-	-	-
Mr. Mahmuddur Rahman	Director	700,000	1,400,000	2,000,000
Mrs. Nusrat Jahan	Director	-	-	-
Mr. Mahbubur Rahman Khan	Director	-	350,000	500,000
Mrs. Masuma Khan	Director	-	350,000	500,000
Total		700,000	2,100,000	3,000,000

44.01 Key Management Personnel Compensation

Sl	Name	Designation	Grows Salary
1	Mr. Mahmuddur Rahman	M.D	1,400,000
2	Mr. Md. Ibrahim Khalil/Mr. Monotosh Datta	CFO (CC)	1,120,000
			2,520,000

During the year 2021-2022, Directors of Zaheen Spinning Limited have taken Tk. 316,000.00 as meeting attendance fees.

During the period from 01-07-2021 to 30-06-2022, there were 8 (eight) Board Meetings held. The attendance status of all the meetings is as follows:

Name of Directors	Designation	No. of Meetings Attended
Mrs. Farida Khanam	Chairman	8
Mr. Mahmuddur Rahman	Managing Director	8
Mrs. Nusrat Jahan	Director	8
Mr. Mahbubur Rahman Khan	Director	6
Mrs. Masuma Khan	Director	6
Prof. M. Farid Ahmed	Independent Director	7
Prof. Abu Taleb	Independent Director	7
		(resigned on 20 June 2022)
Dr. Saud Ahmed	Independent Director	2
		Appointed with effect from 1 Feb 2022

Disclosure as per requirement of Schedule XI, Part II, Para 4



Name of Directors	Designation	Remuneration	Amount in Taka		
			June 30, 2022	June 30, 2021	
			Festival Bonus	Total Payment	
Mrs. Farida Khanam	Chairman	-	-	-	
Mr. Mahmuddur Rahman	Managing Director	1,200,000	200,000	1,400,000	
Mrs. Nusrat Jahan	Director	-	-	-	
Mr. Mahbubur Rahman Khan	Director	600,000	100,000	700,000	
Mrs. Masuma Khan	Director	600,000	100,000	700,000	
Total					2,800,000

Transaction with Key Management Personnel of the entity:

(a)	Managerial Remuneration paid or payable during the year to the directors, including managing directors, a managing agent or manager.	2,100,000
(b)	Expenses reimbursed to Managing Agent	Nil
(c)	Commission or Remuneration payable separately to a managing agent or his associate	Nil
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company.	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.	Nil
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil
(g)	Other allowances and commission including guarantee commission	Nil
(h)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil
(i)	Share Based payments	Nil

As per IAS- 24 Para 17:

An entity shall disclose key management personnel compensation in total and for each of the following benefits:

(a)	Short-term employee benefits	700,000
(b)	Post-employee benefits	
(c)	Other long term benefits	
(d)	termination benefits and	
(e)	share- based payment	

As per IAS- 24 Para 18:

Disclosure requirements of IAS 24 Para 18 minimum disclosure shall include:

a)	the amount of transaction	700,000
b)	the amount of outstanding balance, including commitments	2,100,000
i)	their terms & condition, including whether they are secured, and the nature of the consideration to be provided in statement	Remuneration and Advance
ii)	details of any gurantee given or received	Nil
c)	provisions for doubtful debts related to the amount of outstanding balance	Nil
d)	the expenses recognized during the period in respect of bad or doubtful debts due from	Nil



Amount in Taka	
June 30, 2022	June 30, 2021

Disclosure as per requirement of Schedule XI, Part II, Para 7

Details of production capacity utilization

Particulars	Licence Capacity	Installed Capacity in MT	Actual Production in MT from 1st July 2021 to 30th June 2022	Capacity Utilization from 1st July 2021 to 30th June 2022
Annual Production Capacity	Not mentioned in	1,900.00	719.48	37.87%

Disclosure as per requirement of Schedule XI, Part II, Para 3

Requirements under	Compliance	Compliance status of Disclosure of Schedule XI, Part II, Para 3
3(i)(a) The turnover		337,577,733
3(i)(b) Commission paid to selling agents		3,149,134
3(i)(c) Brokerage and discount of sales, other than the usual trade		Nil
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as as possible		227,728,492
3(i)(d)(ii) The opening and closing stocks of goods produced	Op Stock: Nil Lbs Tk. Nil	Cosing Stock: 11,600 Lbs and Tk. 2,699,000/-
3(i)(e) In the case of trading companies, the purchase made and the		N/A
3(i)(f) In the case of Companies rendering or supplying services, the gross income derived from services rendered or supplied		N/A
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity breakup for the Company, which falls under one or more categories i.e. manufacturing and/or trading		Shown in Annexure-B
3(i)(h) In the case of other companies, the gross income derived under different heads		N/A
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period		Shown in Annexure-B



		Amount in Taka	
		June 30, 2022	June 30, 2021
3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets		Tk.3,59,97,726/-	
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager		N/A	
3(i)(l) Charge for income tax and other taxation on profits		Tk. 22,96,048/-	
3(i)(m) Reserved for repayment of share capital and repayment of loans		No Reserved	
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, known to exist at the date as at which the balance sheet is made up.		N/A	
3(i)(n)(ii) Amount withdrawn from above mentioned reserve		N/A	
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.		N/A	
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required.		N/A	
3(i)(p) Expenditure incurred on each of the following items,			
separately for each item:			
(i) Consumption of stores and spare parts	(i) Consumption of Stores & Spare Parts: Tk. 6,048,380.00		
(ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of	(ii) Power and Fuel: Tk. 5,03,16,345.00	(iii) Rent: tk. 11,40,000.00	



		Amount in Taka	
		June 30, 2022	June 30, 2021
Machinery (vi)(1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	(vi)(1) Salaries, wages and bonus: Tk. 45,949,997.00	(vi)(2) Contribution to provident and other funds: Tk. Nil	(3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve: Tk. Nil

45.00 VAT, Income Tax, Customs Duty or Other Tax Liability Including Contingent Liabilities which is yet to be paid with reason for non-payment:

(i) VAT: There has VAT liability by the Company as on June 30, 2022 Tk. 299,376.00.

(ii) Income Tax: Zaheen Spinning Limited enjoyed tax holiday facilities for a period of 5 (five) years starting from February 01, 2010 to January 31, 2015; first two years 100%, next two years 50% and last one year 25% Tax Holiday as per approval granted by the National Board of Revenue (NBR) vide their letter bw_ bs-11(23) Aby-1/2010 dated 27/06/2010 under section 46A & 46(A) (1A)(I) of Income Tax Ordinance 1984.

The Company's tax assessment position is as under:

Income year	Assessment year		Remarks
2010	2011-2012	The company is enjoyed Tax holiday.	Assessment completed
2011	2012-2013		Assessment completed
2012	2013-2014		Assessment completed
2013	2014-2015		Assessment completed
2014	2015-2016		Assessment completed
01 January 2015 30 June 2016	2016-2017		Return submitted and partial payment made against assessed Tax
2016-2017	2017-2018		Return not filed
2017-2018	2018-2019		Return not filed
2018-2019	2019-2020		Return not filed
2019-2020	2020-2021		Return not filed
2020-2021	2021-2022		Return not filed

(iii) Custom duty or other Tax and contingent liabilities:

There is no custom duty or any other tax & contingent liability by the Company.

46.00 Commission, Brokerage or Discount against sales

Commission paid against sales as Discounts amounting tk. 3,149,134/-

47.00 Credit Facility Not Availed

There was no credit facility available to the company under any contract, but not availed as on 30th June 2021 other than trade credit available in the ordinary course of business.

48.00 Internal Control

The following steps have been taken for implementation of an effective internal control procedure of the Company:

A strong internal control and compliance division has been formed with a view to establish a well designated system of internal control.

Regular review of internal audit reports with view to implement the suggestion of internal auditors in respect if internal control technique.

To establish an effective management system that includes planning, organizing and supervising culture in the factory as well as at Head Office.



Amount in Taka	
June 30, 2022	June 30, 2021

49.00 General Comments and Observations

All shares have been fully called and paid up.

Auditor's are paid only statutory audit fees.

No foreign exchange remitted to the relevant shareholders during the period under audit.

No amount of money was expended by the company for recompensating any members of the Board for special service rendered.

There was no bank guarantee issued by the company on behalf of Directors.



ZAHHEEN SPINNING LIMITED
Schedule of Property, Plant and Equipment
As at 30 June 2022 (July 2021 to June 2022)

Annexure-A

Sl. No.	Particulars	Cost				Rate %	Depreciation			W.D.V. Balance as at 30.06.2022
		Balance as at 01.07.2021	Addition During the year	Disposal/ Adjustment	Balance as at 30.06.2022		Charged During the year	Disposal/ Adjustment	Total Charges 30.06.2022	
1	Land & Land Development	104,675,109	-	-	104,675,109	-	-	-	-	104,675,109
2	Plant & Machinery	501,643,009	40,747,883	-	542,390,892	10%	27,097,689	-	278,137,753	264,253,139
3	Building & Constructions	132,261,497	8,466,671	-	140,728,168	10%	8,412,791	-	60,779,715	79,948,453
4	Office Equipment	3,037,887	224,675	-	3,262,562	15%	159,447	-	2,246,691	1,015,871
5	Furniture & Fixture	2,411,961	-	-	2,411,961	15%	105,929	-	1,811,700	600,262
6	Vehicles	4,266,000	-	-	4,266,000	15%	427,306	-	1,844,602	2,421,398
7	Electrical Equipment	31,241,314	6,999,996	-	38,241,310	10%	2,622,143	-	11,142,021	27,099,289
	A. Sub-Total	779,536,777	56,439,225	-	835,976,002		38,825,304	-	355,962,481	480,013,521
B. At Revaluation										
1	Land & Land Development	136,926,183	-	-	136,926,183		-	-	-	136,926,183
	B. Sub-Total	136,926,183	-	-	136,926,183		-	-	-	136,926,183
	Balance as on 30 June 2022 (A+B)	916,462,960	56,439,225	-	972,902,185		38,825,304	-	355,962,481	616,939,704
	Balance as on 30 June 2021	1,032,101,342	3,655,104	(119,293,486)	916,462,960		43,719,681	(51,184,747)	317,137,178	599,325,782

Note: Depreciation Charged on addition for six months.

Allocation of Depreciation:

Note: Depreciation Charged in the following Manner:

Particulars	Rate	Amount
Factory Overhead	90%	34,942,774
Administrative Expenses	10%	3,882,530
Total	100%	38,825,304



ZAHEN SPINNING LIMITED
Schedule of Capital Work in Progress
As at 30 June 2022 (July 2021 to June 2022)

Annexure-A/I

Sl. No.	Particulars	Cost				Rate %	Depreciation		Balance
		Balance as at 01.07.2021	Addition During the year	Transferred to Fixed Asset	Balance as at 30.06.2022		Charged During the year	Total Charges 30.06.2022	
1	Plant & Machinery	40,747,883	11,400,000	40,747,883	11,400,000	0%	-	-	11,400,000
2	Generator	-	-	-	-	0%	-	-	-
3	Office Equipment	224,675	-	224,675	-	0%	-	-	-
4	Electrical Equipment	6,999,996	-	6,999,996	-	0%	-	-	-
5	Building & Constructions	8,466,671	-	8,466,671	-	0%	-	-	-
	A. Sub-Total	56,439,225	11,400,000	56,439,225	11,400,000	-	-	-	11,400,000



ZAHEN SPINNING LIMITED
Quantity-wise break-up of Inventory
As of June 30, 2022

Annexure-B

Items Name	Balance as on 01.07.2021		Purchased		Consumed/Used		Fire Damaged		Obsolete Items Written Off		Balance as on 30.06.2022	
	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount
MCU-5	-	-	843,744	105,303,813	831,332	103,754,728	-	-	-	-	12,412	1,549,085
Cameroon	-	-	32,808	4,166,613	32,808	4,166,613	-	-	-	-	-	-
Chad	-	-	18,138	2,357,900	18,138	2,357,900	-	-	-	-	-	-
Viscos	-	-	509,370	52,028,064	503,543	51,432,883	-	-	-	-	5,827	595,181
PSF (Polyester)	-	-	161,419	10,201,632	158,906	10,042,811	-	-	-	-	2,513	158,821
Tencile	-	-	267,161	39,818,454	263,708	39,303,809	-	-	-	-	3,453	514,645
Burkina	-	-	135,081	16,669,748	135,081	16,669,748	-	-	-	-	-	-
Sub Total	-	-	1,967,721	230,546,224	1,943,516	227,728,492	-	-	-	-	24,205	2,817,732

Finished Goods:

Items Name	Balance as on 01.07.2021		Production		Delivered		Fire Damaged		Obsolete Items Written Off		Balance as on 30.06.2022	
	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount
40 (Auto) Yarn	-	-	14,930	3,473,799	14,930	3,471,786	-	-	-	-	-	-
50 (Auto) Yarn	-	-	170,200	39,600,848	163,600	38,043,149	-	-	-	-	6,600	1,535,638
52 (Auto) Yarn	-	-	456,937	106,316,644	456,937	106,255,026	-	-	-	-	-	-
54 (Auto) Yarn	-	-	139,900	32,550,874	139,900	32,532,008	-	-	-	-	-	-
60 (Auto) Yarn	-	-	804,200	187,115,172	799,200	185,844,037	-	-	-	-	5,000	1,163,362
Sub Total:	-	-	1,586,167	369,057,338	1,574,567	366,146,006	-	-	-	-	11,600	2,699,000

Work in Process:

Items Name	Balance as on 01.07.2021		Current Year		Transfer to Finished Goods		Fire Damaged		Obsolete Items Written Off		Balance as on 30.06.2022	
	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount
Blow Room	-	-	1,943,516	227,728,492	1,883,052	220,643,716	-	-	-	-	9,074	1,063,232
Carding	-	-	-	-	-	-	-	-	-	-	463	54,251
Drawing	-	-	-	-	-	-	-	-	-	-	772	90,458
Simplex	-	-	-	-	-	-	-	-	-	-	6,085	713,000
Ring	-	-	-	-	-	-	-	-	-	-	43,078	5,047,598
Cone Winding	-	-	-	-	-	-	-	-	-	-	992	116,237
Sub Total:	-	-	1,943,516	227,728,492	1,883,052	220,643,716	-	-	-	-	60,464	7,084,776



Wastage Goods:

Items Name	Balance as on 01.07.2021		Production/Production Loss		Sold		Fire Loss		Obsolete Items Written Off		Balance as on 30.06.2022	
	Quantity (Kg)	Amount	Quantity (Kg)	Amount	Quantity (Kg)	Amount	Qty (Kg)	Amount	Quantity (LBS)	Amount	Quantity (Kg)	Amount
Dropping -1	-	-	15,585	144,115	11,200	103,567	-	-	19	-	12	228
Dropping -2	-	-	-	-	-	-	-	-	-	-	-	-
Filter- Blow Room	-	-	10,930	46,060	5,700	24,020	-	-	14	-	1,513	21,182
Filter Carding	-	-	32,925	239,800	21,434	156,109	-	-	22	-	4,280	94,160
Sweeping	-	-	7,800	48,420	4,693	29,133	-	-	9	-	3,107	27,963
Roving	-	-	-	-	-	-	-	-	-	-	-	-
Hardwaste	-	-	9,586	260,640	7,866	21,874	-	-	40	-	1,720	68,800
Sub Total:	-	-	76,826	739,035	50,893	334,703	-	-	-	-	10,632	212,333

Spare Parts:

Items Name	Balance as on 01.07.2021		Purchased		Consumed/Used		Fire Damaged		Obsolete Items Written Off		Balance as on 30.06.2022	
	Quantity (Kg)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (Kg)	Amount	Quantity (Kg)	Amount
Spare Parts	-	1,089,526	-	6,715,420	-	6,048,380	-	-	-	-	-	1,756,566
Sub Total:	-	1,089,526	-	6,715,420	-	6,048,380	-	-	-	-	-	1,756,566
Total Amount:	-	1,089,526	-	834,786,509	-	820,901,297	-	-	-	-	-	14,570,407



ZAHREN SPINNING LIMITED
Schedule of Accounts Receivable
As of June 30, 2022

Annexure-C

(Amount in Taka)

SL. No.	Name of the Party	Items	Less than 6 Months	Above 6 Months	June 30, 2022		June 30, 2021	
					Total BDT	Total BDT	Total BDT	Total BDT
1	M/s. Provati Yarn Traders	Yarn	-	79,193,441	79,193,441	104,332,638	18,464,000	
2	M/s. Raya Spinning Mills Ltd	Yarn	-	11,414,000	11,414,000	21,013,500	23,589,922	
3	M/s. Sakib Traders	Yarn	-	16,413,500	16,413,500	27,250,500	22,060,580	
4	M/s. Babul Textile	Yarn	-	23,389,922	23,389,922	22,565,875	19,432,930	
5	M/s. Prime Print Shari	Yarn	-	25,650,500	25,650,500	21,601,255	22,290,440	
6	M/s. A.F. Fabrics Mills Ltd	Yarn	-	22,060,580	22,060,580	17,829,020	18,668,000	
7	M/s. Asratul Islam Traders	Yarn	-	22,565,875	22,565,875	17,028,000	18,528,000	
8	M/s. Shukhi Textile Ltd	Yarn	-	18,332,930	18,332,930	15,230,000	27,906,050	
9	M/s. Daliya Print Shari	Yarn	-	20,601,255	20,601,255	-	-	
10	M/s. Tahmid Print Shari	Yarn	-	22,290,440	22,290,440	9,462,000	-	
11	M/s. Shamiul Textile Ltd	Yarn	-	17,829,020	17,829,020	1,950,000	-	
12	M/s. Masud Textile Ltd	Yarn	-	18,668,000	18,668,000	-	-	
13	M/s. Unitex Knitwear Ltd	Yarn	-	17,028,000	17,028,000	-	-	
14	M/s. Yusuf Textile	Yarn	-	15,230,000	15,230,000	-	-	
15	M/s. MK Fashion Ltd	Yarn	-	27,906,050	27,906,050	-	-	
16	M/s Shimul Textile	Yarn	-	-	-	-	-	
17	M/s Dhaka Enterprise	Yarn	9,462,000	-	9,462,000	-	-	
18	M/s Kawsar Textile	Yarn	-	1,950,000	1,950,000	1,950,000	404,712,710	
Total			9,462,000	360,523,513	369,985,513	1,950,000	404,712,710	



Annexure-D

30 June 2022

30 June 2021

Taka

Taka

01) Advance, Deposit & Prepayments:**21,422,898****17,771,887****Advances:****Salary & others**

Salary & others

225,000

149,160

Sub-Total=**225,000****149,160****AIT, TDS & VAT**

VAT C/A

149,189

149,189

Advance VAT

-

-

Advance Tax

6,126,105

125,384

Sub-Total=**6,275,294****274,573****Others Advances:**

Office rent

140,000

140,000

Others

-

-

Sub-Total=**140,000****140,000****Contractor/ Supplier:**

Dana Engineering Ltd

1,072,192

4,272,192

Yunus Molla (Electric Contrac)

-

220,000

Zahirul Islam

-

220,000

Multi Trade

605,184

1,505,184

Waso Engineering Consultants (BD) Ltd.

-

-

Sub-Total=**1,677,376****6,217,376****Deposits:****Margin & Deposits:**

Lc Margin

-

-

Others

-

-

Sub-Total=**-****-****Security Deposit**

CDBL

500,000

500,000

Titas Gas T & D

3,390,850

1,276,400

Anser VDP

-

-

Palli Biddut Somity

9,214,378

9,214,378

Sub-Total=**13,105,228****10,990,778**

Annexure-G

	June 30, 2022	June 30, 2021
	Taka	Taka
Trade & Others Payable:	30,374,148	19,155,873
01 Trade Payable:	Amount in Taka	Amount in Taka
Provati Yarn Traders	-	-
Provati Traders (Cone & Poly)	914,934	914,934
Bismillah Paper Cone	142,100	162,000
Nafiz Enterprise	-	83,500
Abdullah Traders	178,750	-
Tanvir Traders	2,468,690	2,131,710
Sub Total=	3,704,474	3,292,144
02 Others Payable:		
Dhaka Enterprise	23,436,317	14,514,222
Recotech Bangladesh	75,000	115,000
ZR Enterprise	-	26,000
Confidence Power Solution BD.	1,012,350	-
The Engineering Steel Building Systems Ltd.	832,500	-
H.A Enterprise	783,832	783,832
Confidence International	52,000	-
Link3 Technologies Ltd.	3,000	-
Satcom IT Ltd	400,000	350,000
Maa Enterprise	74,675	74,675
Sub Total=	26,669,674	15,863,729

